Healthy Indiana Plan Overview

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Indiana Check-Up Plan

House Enrolled Act 1678

- ✓ Passed by the State Legislature and signed into law in April 2007
- ✓ Health insurance coverage expansions – ***Healthy Indiana Plan (HIP***)
- ✓ Child immunizations
- ✓ Medicaid physician & dental rate increase
- ✓ Tobacco Cessation
- ✓ Other health initiatives

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Indiana Check-Up Plan: Other Health Initiatives

- ✓ Dependents may stay on parents' health insurance up to age 24
  - Addresses group with highest rate of uninsurance
- ✓ Small business qualified wellness program tax credit
  - For employers offering programs that reward employees for losing weight or refraining from tobacco use
- ✓ Tax Credit for small employers to establish employer Section 125 plans

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Indiana Check-Up: Coverage Expansions

- ✓ Medicaid and SCHIP
  - SCHIP coverage to children to 300% FPL- up to the current SCHIP allotment- October 2008
  - Presumptive eligibility for pregnant women- Anticipated for Summer 2009
  - Medicaid coverage for pregnant women from 150% FPL to 200% FPL- In effect July 1, 2007

- ✓ Healthy Indiana Plan: State-sponsored health insurance plan for uninsured low-income Hoosiers

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Why HIP?

- ✓ Indiana's Medicaid coverage level for non-disabled adults ranks 47th in the nation (22% FPL)
- ✓ Approximately 562,000 Hoosiers are uninsured on any given day
  - An estimated 67% are eligible for HIP
- ✓ Since 1990, the uninsured population in Indiana has increased by 30%
- ✓ Indiana is Unhealthy
  - 3rd highest rate of cancer deaths
  - 5th highest rate of smoking
  - 10th highest rate of obesity
  - 22% of Hoosier children do not receive recommended immunizations by age 2

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HIP Timeline

- ✓ 1997 SCHIP implementation
- ✓ 2000 Health Insurance for Indiana Families Task Force
- ✓ 2002 Uninsured Parents Program fails
- ✓ 2005 Mitch Daniels becomes Governor
- ✓ Spring 2006 General Assembly requests study on uninsured
- ✓ November 2006 Governor Daniels announces his health plan
- ✓ April 2007 General Assembly passes the Check-Up Plan that includes the HIP Plan
- ✓ September 2007 CMS approves waiver
- ✓ January 2008 First member becomes eligible on HIP

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Indiana's Healthcare Values And Vision

INDIANA CHECK-UP

OWNERSHIP SOCIETY	DISEASE PREVENTION / HEALTH PROMOTION	INCREASED ACCESS TO COMMERCIAL PRODUCTS	PRICING TRANSPARENCY AND SUBSIDIZATION	ECONOMIC DEVELOPMENT	LONG TERM STATE BUDGET STABILITY
Cost sharing required at all service levels All participants must contribute Access to POWER	First dollar coverage for preventive care Rewards for positive health behaviors for subsidized populations Disease management for high $ populations	Subsidies for low-income Hoosiers to buy commercial products, establish a POWER account, or participate in employer sponsored health coverage Require subsidy eligible persons to maintain current coverage	Moves government subsidies to individuals to purchase insurance Reduces cost-shifting Increases quality as providers compete to serve low income Encourages subsidized population to make value conscious health care decisions	Reduces cost growth trajectory of premiums by limiting cost-shifting to insured populations Brings new federal $ to the State and healthcare industry	Not an entitlement program Commercial benefit package Funding sources keep pace with cost growth

Eyes on Indiana

- ✓ 1st State in the nation to implement a consumer-directed health care program for Medicaid beneficiaries
- ✓ Program will be watched closely for potential replication
- ✓ Will serve as a national model

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How Does HIP Differ From Medicaid and Hoosier Healthwise?

- ✓ HIP is ***not*** an entitlement program
  - Enrollment limited by funding available
- ✓ HIP requires each participant to make a modest financial contribution
- ✓ HIP covers essential medical services, similar to commercial plans
  - Medicaid has unlimited benefits and no incentives to use health care services efficiently
- ✓ Inspired by a Health Savings Account (HSA) consumer-driven model

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Who is Eligible for Subsidized Coverage?

- ✓ Non-Disabled Adults Ages 19-64:
  - *Caretaker Relatives* of dependent children with family incomes from 22% to 200% FPL
    - Biological, adoptive, step parents;
    - Other relatives who care for a dependent child (i.e. grandparent, aunts)
  - *Childless adults* with family incomes under 200% FPL
    - Enrollment Cap: 34,000 childless adults
    - Have no dependent children living in household in their care
- ✓ An estimated 375,000 Hoosiers are chronically uninsured under 200% FPL
  - HIP has funding to cover approximately 130,000 Hoosiers a year

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Caretaker Relative Vs. Childless Adult

- CMS distinction that has programmatic and policy effects
- Program:
  - Hard cap on the number of childless adults allowed in the program
  - **“Caretaker relatives” include not just biological parents but all relatives.**
  - **The 34,000 childless adult cap is reserved for adults who do not have a dependent child in their care.**
- Policy:
  - Slightly higher financial contributions than caretaker counterparts

Income Eligibility

Maximum Income Levels

Number of people in your family	100% FPL	125% FPL	150% FPL	200% FPL
1	$10,836	$13,548	$16,248	$21,660
2	$14,580	$18,216	$21,864	$29,148
3	$18,312	$22,896	$27,468	$36,624
4	$22,056	$27,564	$33,084	$44,100
5	$25,800	$32,244	$38,688	$51,588
6	$29,532	$36,924	$44,304	$59,064
7	$33,276	$41,592	$49,908	$66,540
8	$37,020	$46,272	$55,524	$74,028

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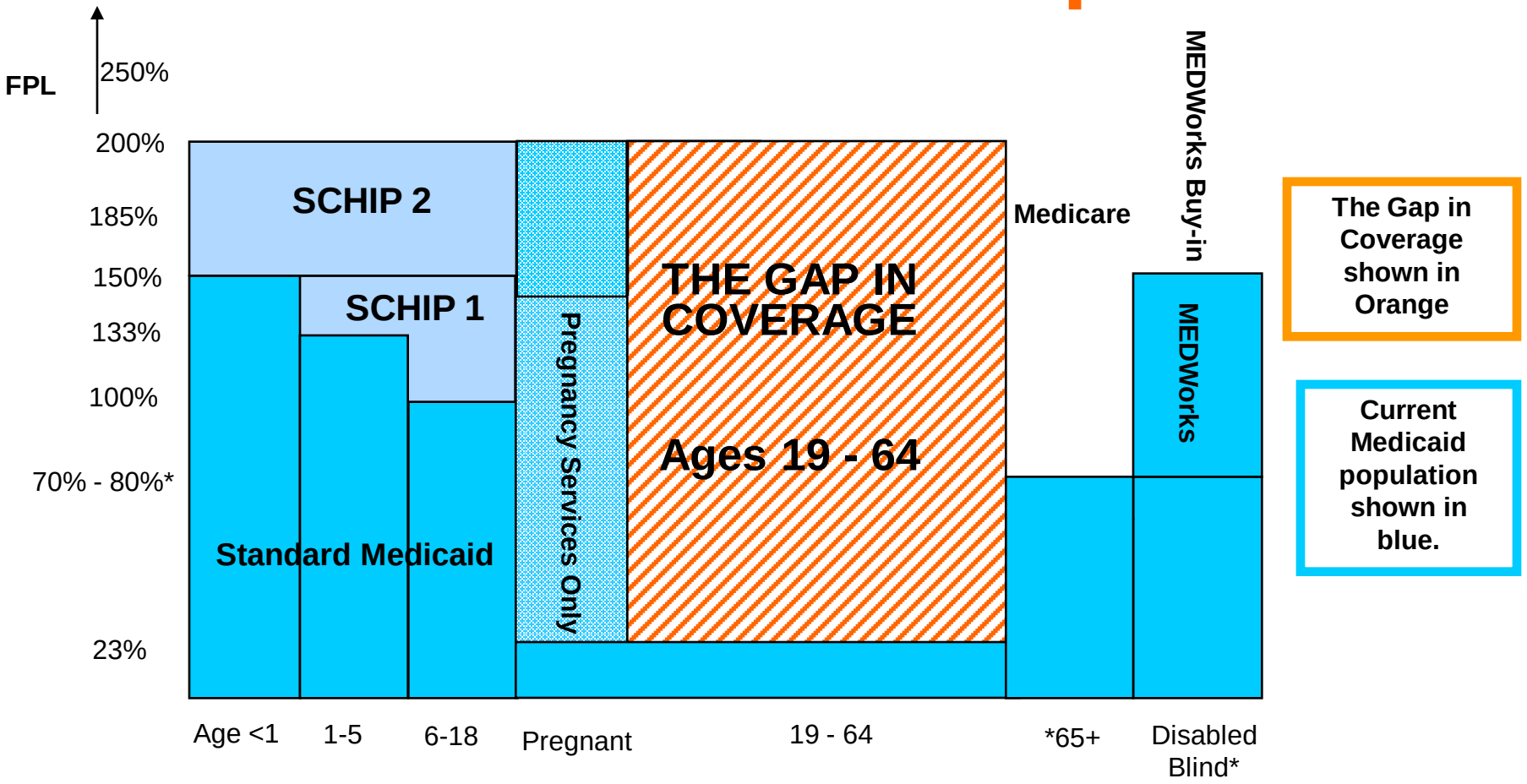
HIP Fills the Gap



*Aged, Disabled and Blind income eligibility is driven by SSI standards rather than FPL

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Other Eligibility Criteria

- ✓ Participants must be uninsured for at least 6 months
  - COBRA, Medicaid, disease specific and accident policies are not subject to the six month coverage restriction
- ✓ Participants must not be eligible for employer-sponsored health insurance offered through their individual employer

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Buy-In Option

- ✓ Uninsured individuals with incomes above 200% FPL may buy-in to HIP
  - Rates based on age, gender, health status
  - Participant pays full cost
- ✓ If the program fills, individuals who would qualify for HIP may use the buy-in option
  - HIP rates available to such individuals
  - Participant pays full cost
- ✓ Available Summer 2008

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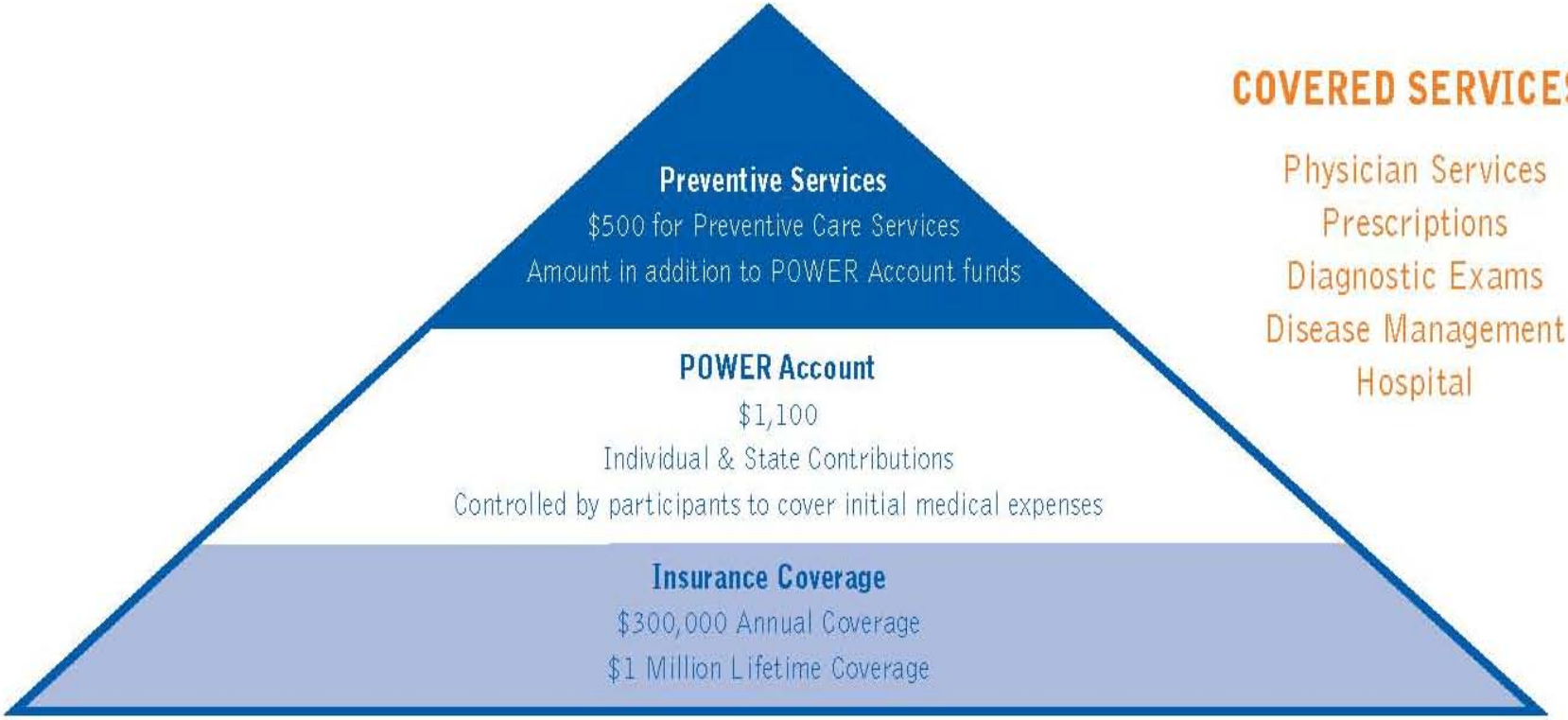
Plan Structure



Individual POWER Account contribution will not exceed 5% of gross annual income – approximately $200 - $900 annually

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POWER Accounts: Guiding Principles

- ✓ **Personal Responsibility**
  - Individual controls spending from account
- ✓ **Fiscal Responsibility**
  - Required individual contributions

- ✓ **Promote Healthy Behaviors**
  - Financial incentives to adopt healthy behaviors
- ✓ **Promote Appropriate Use of Health Care Services**
  - Preventive services goals and rewards

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Personal Responsibility

- POWER Accounts give participants a financial incentive to adopt healthy behaviors that keep them out of the doctor's office.

- When they do seek care, plan participants will seek price transparency so they can make value-conscious decisions.

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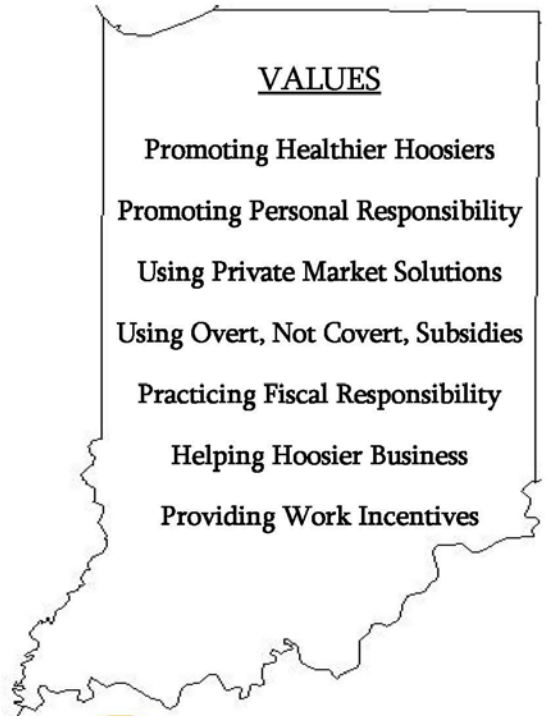
Fiscal Responsibility

- State and participant contribute a combined total of $1,100 per adult into POWER Account to pay for initial medical expenses
- POWER Account covers the “deductible” amount



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Required Contributions

	2%	3%	4%	4.5%- 5%
Number of people in your family	0% - 100% FPL	101%- 125% FPL	126%- 150% FPL	151%- 200% FPL
1	$10,836	$13,548	$16,248	$21,660
2	$14,580	$18,216	$21,864	$29,148
3	$18,312	$22,896	$27,468	$36,624
4	$22,056	$27,564	$33,084	$44,100
5	$25,800	$32,244	$38,688	$51,588
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7	$33,276	$41,592	$49,908	$66,540
8	$37,020	$46,272	$55,524	$74,028

How Contribution Levels are Calculated:

- ✓0-100% of FPL= members must contribute **2%** of total household income
- ✓101%-125% of FPL= members must contribute **3%** of total household income
- ✓126%-150% of FPL= members must contribute **4%** of total household income
- ✓151%-200% of FPL= caretaker relative members must contribute **4.5%** of total household income
- ✓151%-200% of FPL= childless adult members must contribute **5%** of total household income

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Required Contributions

Maximum Levels for a Single Childless Adult

- ✓ **Household income between 0-100% FPL at $10,836**
  - 2% of income = $217 per year or $18 per month
- ✓ **Household income between 101-125% FPL at $13,548**
  - 3% of income = $406 per year or $34 per month
- ✓ **Household income between 126-150% FPL at $16,248**
  - 4% of income = $650 per year or $54 per month
- ✓ **Household income between 151-200% FPL at $21,660**
  - 5% of income = $1,083 per year or $90 per month

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Contribution Calculation Example

Based on single adult with an annual income of $13,548 (125% FPL)

The annual financial contribution for an enrollee at 125% FPL is 3% of income.
$13,548 x 3%= $406.44
The individual would be required to contribute $406 of the $1,100 POWER Account.
$406/12 months= $33.87
The **members' financial contribution** would be **$34 per month**.

The **State of Indiana and Federal contribution** requirement would then be $1,100- 406 = **$694 per year.**

The exact financial contribution will be calculated once an application is submitted and income is verified. The chosen insurance carrier will notify member of total financial responsibility for full health care coverage once application is approved.

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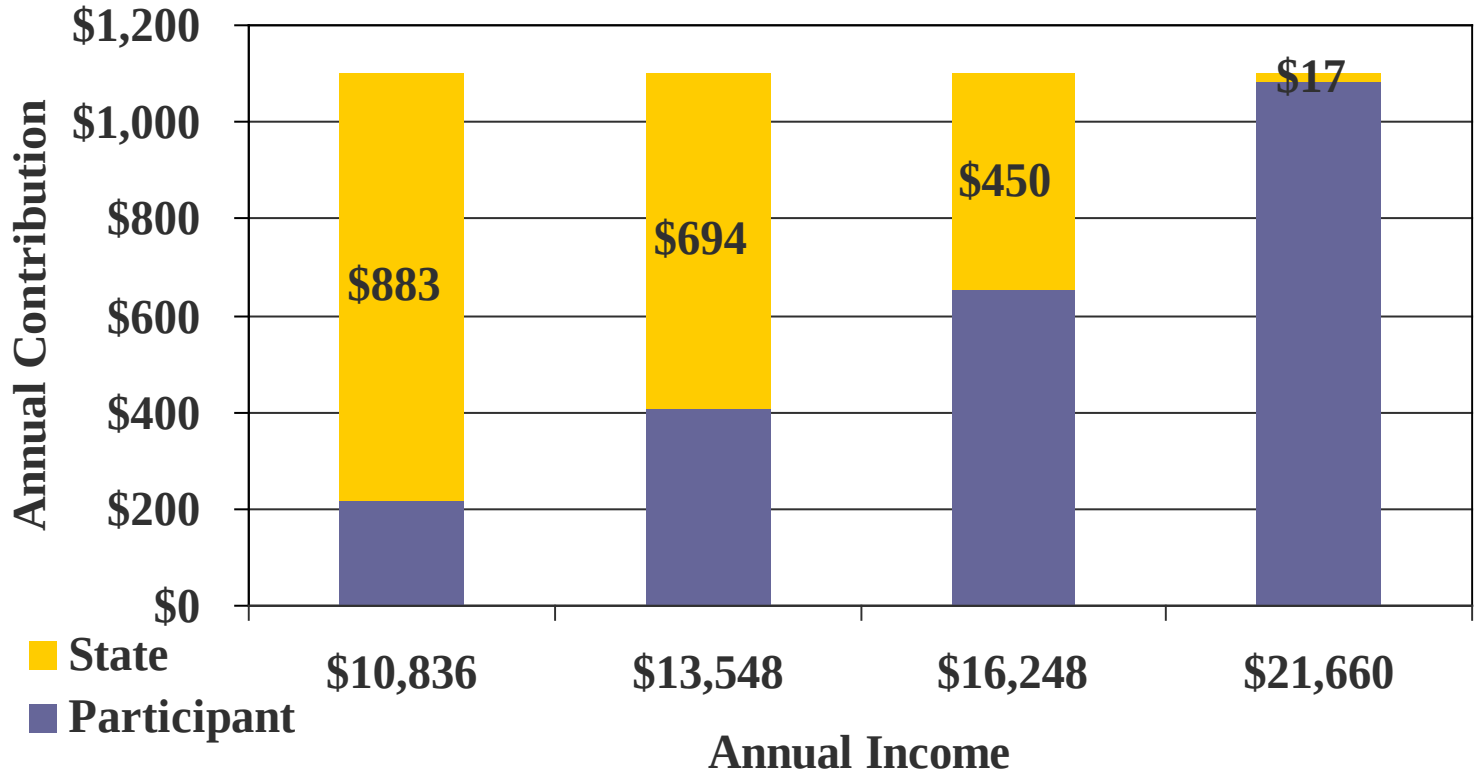
POWER Account Funding

Single Adult: $1,100



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Required Contributions

Maximum Levels for a Family of Four

Consisting of Two Adults on HIP and 2 Children on Hoosier Healthwise

- ✓ **Family income between 0-100% FPL at $22,056**
  - 2% of income = $441 per year or $37 per month
- ✓ **Family income between 101-125% FPL at $27,564**
  - 3% of income = $827 per year or $69 per month
- ✓ **Family income between 126-150% FPL at $33,084**
  - 4% of income = $1,323 per year or $110 per month
- ✓ **Family income between 151-200% FPL at $44,100**
  - 4.5% of income = $1,984 per year or $165 per month *

*Monthly contributions deduct SCHIP premium payments for children

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Contribution Calculation Example

Based on family of 4 with annual income of $36,139 (175% FPL)

Family consists of 2 Adults on HIP and 2 Children on SCHIP

The annual financial contribution for an enrollee at 175% FPL is 4.5% of income.
$36,139 x 4.5%= $1,626.25
The individual would be required to contribute $1,626 of the $2,200 POWER Account.
$1,626- $600 (SCHIP premium for children's health insurance)= $1,026
$1,026/ 12 months= $85.5
The **members' financial contribution** would be **$85.50 per month**.

The **State of Indiana and Federal contribution** requirement would then be $2,200- 1,026 = **$1174 per year.**

The exact financial contribution will be calculated once an application is submitted and income is verified. The chosen insurance carrier will notify member of total financial responsibility for full health care coverage once application is approved.

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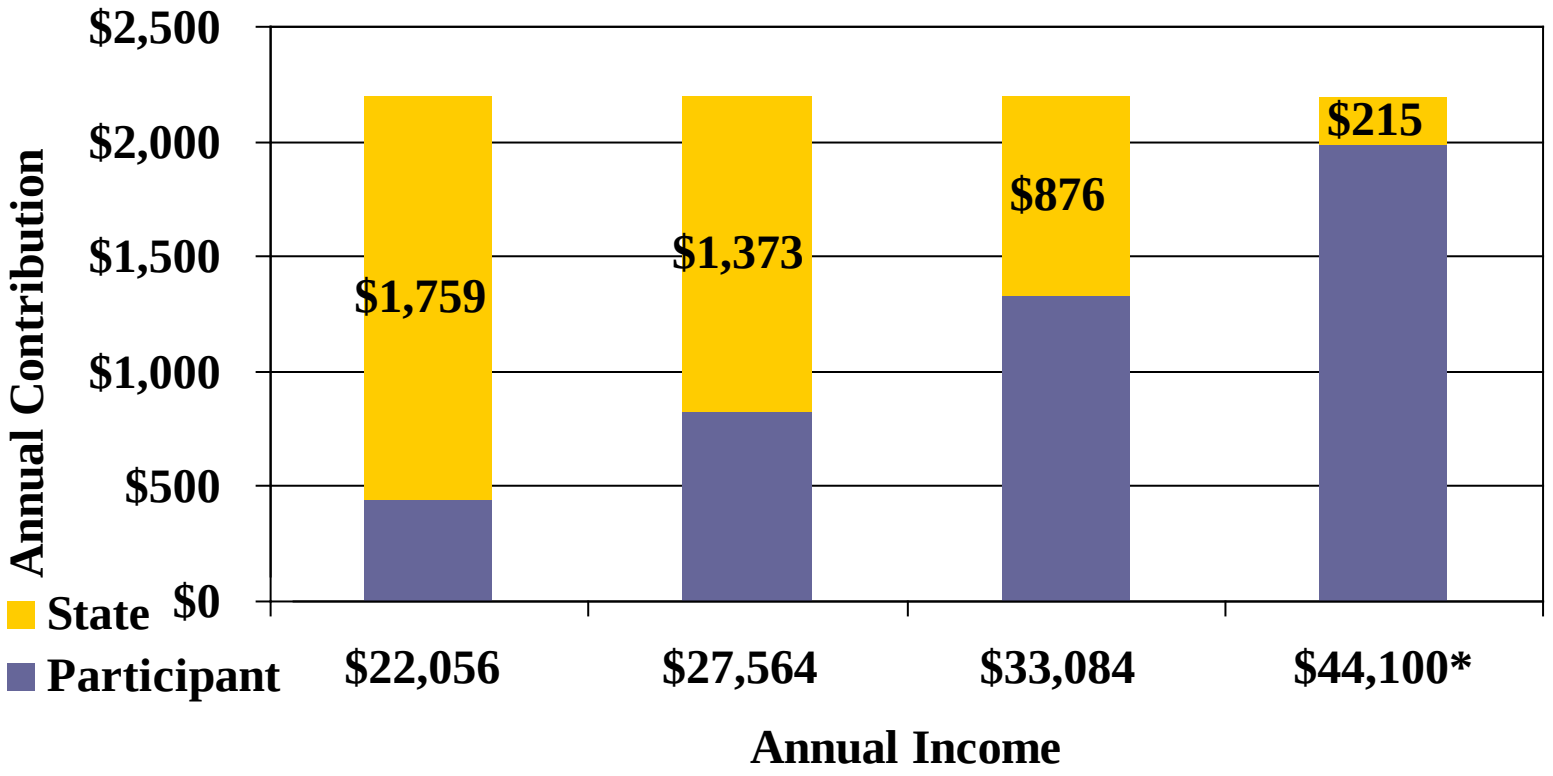
POWER Account Funding

Family of Four (Two Children on SCHIP): $2,200



*Contributions reduced to account for SCHIP premiums

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POWER Account "Roll Over"

- ✓ Roll Over Amount Dependent on Preventive Services Received
  - If all age, gender, and pre-existing condition appropriate preventive service goals are met, *all* account funds (state and individual) roll over to offset the following year's contribution
  - If not, only the individual's prorated contribution to the account rolls over

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POWER Account Balance for Disenrollments

- ✓ Terminations
  - Proportional share of individuals contribution returned
  - No State dollars paid out

- ✓ Disenrolled Due to Failure to Pay Contribution
  - Receives 75% of their proportional contribution

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Additional Cost Sharing

- ✓ Co-pays for ER use ONLY
  - Parents-
    - $3 = < 100% FPL
    - $6 = 100-150% FPL
    - $25 or 20% of total bill*= 150-200% FPL
  - Childless Adults-
    - $25 or 20% of total bill* regardless of FPL
- ✓ Co-pays will be returned if visit is deemed a true emergency using prudent layperson standard

**Co-pay amount due will be whichever amount is less expensive*

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HIP Insurance Coverage

- ✓ Preventive Services
  - Up to $500/year outside of the POWER Account, and therefore is not subject to the “deductible”
  - Both insurers have offered members unlimited preventive services
- ✓ Basic Commercial Plan
  - Starts after $1,100 POWER Account is spent
  - Mental health services, including substance abuse treatment, inpatient, outpatient and drugs
- ✓ Annual & Lifetime Limits
  - Individual is screened for other Medicaid programs

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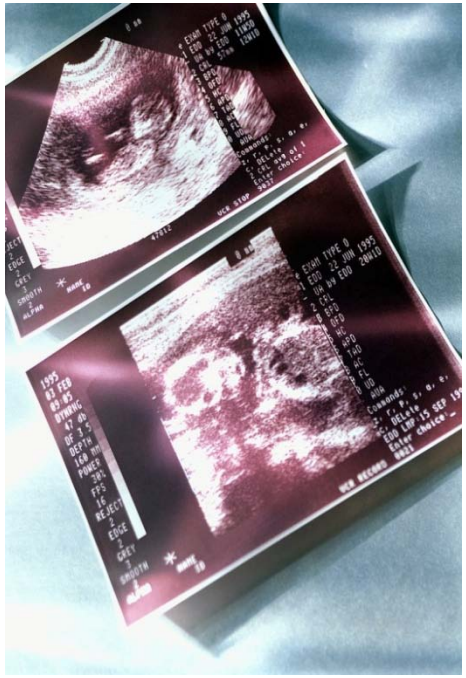
Pregnant Women



- If a woman becomes pregnant while on HIP, she may be switched to Package B of Hoosier Healthwise
  - No pregnancy related procedures are covered under HIP
  - The woman must provide evidence of pregnancy, per current procedures
- *All* medical services for the woman, pregnancy & otherwise, will be covered by Package B
- Any POWER Account balances will be returned on a prorated basis
- The woman may re-enroll in HIP following her pregnancy

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Focus on Prevention

- ✓ Insurers will provide personalized prevention information
- ✓ POWER Account Balance & Transaction History
- ✓ Plan will make disease management services available
  - Diabetes, Heart Disease, Asthma, etc.

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Eligibility & Termination

- ✓ 12-months eligibility with annual redetermination
- ✓ Failure to pay POWER Account contribution after 60 days results in termination
- ✓ Must wait 12 months to re-apply & individual must repay any still-owed POWER Account contributions
- ✓ Enrollee must report whether he/she has access to employer-sponsored health insurance
- ✓ Enrollee may report income changes:
  - May report family changes at any time (marriage, death, births)
  - Income changes can be reported once a year ("qualifying events" such as job loss, etc.)

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HIP Application

- ✓ Similar to Hoosier Healthwise
- ✓ Additional Questions:
  - Related to health status
  - Access to Employer-Sponsored Health Insurance
- ✓ Application will include plan choice selection
- ✓ Eligibility will be determined within 45 days

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Enrollment Broker (EB) Functions & Plan Choice

- ✓ Provides general information about the program
- ✓ Plan Choice & Auto-Assignment
  - Applicants may consult EB if they need help making a choice
  - May register plan choice after application is submitted up until the time DFR has made determination
  - If no plan choice is made, then auto-assignment occurs immediately

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Insurers

- 2 plan carriers approved:
  - Anthem
  - MDWise with AmeriChoice
- Enhanced Services Plan (ESP)
  - Indiana Comprehensive Health Insurance Association (ICHIA)

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ESP

- HIP application will screen for complex medical conditions, but this will have *NO* bearing on eligibility
- Individuals will be assigned to the ESP vendor- Indiana Comprehensive Health Association (ICHIA)
- FSSA will contact providers for further information
- If condition warrants, the client will remain in ESP or will be transferred to plan of choice
- ESP will provide:
  - Comprehensive disease management services
  - Access to special networks and providers to meet individual needs

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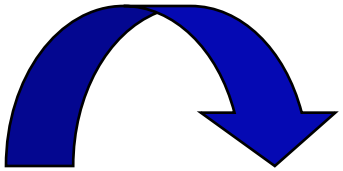
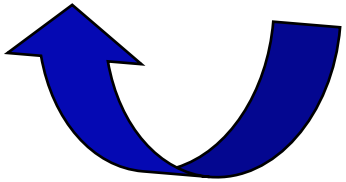


Switching Plans



- ✓ Individual can switch plans *before* the 1st POWER Account contribution is made
- ✓ After POWER Account/plan benefits begin, applicants can only make plan changes for “poor quality of care.”
- ✓ Must exhaust plan’s grievance procedures first

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Providers

- ✓ Paid at Medicare (not Medicaid) rates
- ✓ Must be a Medicaid provider to be a HIP provider

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Coverage Start Date

- ✓ Begins the 1st day of the following month after the POWER Account contribution is received and posted
- ✓ Example:
  - Client informed of eligibility determination on March 5th
  - Makes POWER Account contribution on March 15th
  - Check clears on March 25th
  - Services begin April 1st

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Enrollment

- ✓ Applications available:
  - On the internet at www.hip.in.gov
  - Request by phone at 1-877-GET-HIP-9
  - Pick up at local DFR office or Hoosier Healthwise Enrollment Center
- ✓ Program began January 2008
- ✓ Plans will help participants with redetermination applications

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Call Center

1-877-GET-HIP-9

- ✓ Toll-free line with options
  - General Information
  - Application Assistance
  - Plan Selection
  - Anthem Blue Cross Blue Shield
  - MDwise with AmeriChoice
  - Enhanced Services Plan

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For More Information

- ✓ Website: www.HIP.IN.gov
- ✓ Phone: **1-(877) GET-HIP 9** **(Toll Free)**

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